

FISCAL NOTE

SB 1307 - HB 1746

March 28, 2005

SUMMARY OF BILL: Increases the monetary limit for small procurements by departments, institutions and agencies, without requisition from the Department of General Services, from \$2,000 to \$5,000.

ESTIMATED FISCAL IMPACT:


Decrease State Expenditures – Exceeds \$300,000

Assumptions:

- In FY04, there were 282 requisitions in amounts between \$2,000 and \$5,000 to the Department of General Services.
- The requisitions for purchases between \$2,000 and \$5,000 submitted to the Department of General Services for FY04 was less than 3% of the total number of requisitions.
- 58.42% of the requisitions in the University of Tennessee system can be moved to the procurement card rebate contract.
- Procurement card rebate program for the University of Tennessee is .0065%.
- Estimated that transactions between \$2,000 and \$5,000 for the University of Tennessee and Tennessee Board of Regents Systems is over 20,000 and the number of transactions that can be moved to procurement cards is estimated to be 58%.
- Check processing cost per check is \$3 for over 20,000 transactions for the University of Tennessee and Tennessee Board of Regent systems.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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